

## *How they are financed*

After the handover of housing, the R.H.C. is expected to cover all operating costs, including maintenance, from rent income. In the first three to five years, the Ministry provides administrative subsidies. To gain a subsidy, R.H.Cs must submit regular budget projections, which form the basis of negotiation.

Once the R.H.C. controls about 35 houses, the rent income generated should meet all operating costs. At this point R.H.Cs are still expected to work within mutually agreed, annual budget projections. Any surplus above budgeted operating costs must be returned to the Ministry.

## *Who can be housed by a Rental Co-op?*

R.H.Cs funded by the Ministry form part of public housing, and as such must be reserved for low-income groups which the Ministry regards as its customers.

Those selected must meet the Ministry's need-based eligibility criteria, and where a waiting list exists for an area, priority must be given to applicants already on that list.

## *Who to contact*

For further information on the R.H.C. programme contact:  
Rental Housing Co-operative Unit,  
Housing Services Division,  
Ministry of Housing,  
250 Elizabeth Street,  
MELBOURNE, VIC. 3000

Telephone: (03) 669 1123  
(03) 669 1122

A community based group, the Rental Housing Co-operative Advice Service (C.H.A.S.) is also willing to help groups wishing to establish rental co-ops.

Area contacts for C.H.A.S. are;  
Irena Davis

(Western suburbs) phone 391 9267

Bernadette Walsh

(Northern suburbs) phone 348 1363

Maree Pardy

(Mornington Peninsula) phone (059) 75 6461

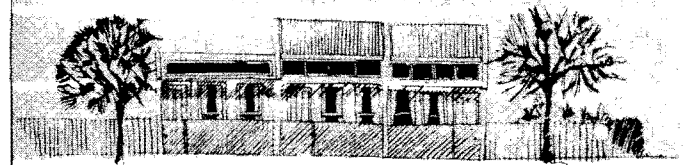
Kate Nancarrow

(Southern suburbs) phone 557 8742

C.H.A.S. also has two workers, Nadine Perry and Jude Christopher, phone 529 7788 ext. 428.

Groups can also contact Ministry of Housing district or regional offices for advice.

*Rental Housing  
Co-operatives -  
an alternative means to  
managing public housing.*



Rental Housing Co-operative Unit.  
Ministry of Housing

## *What is a Rental Housing Co-Operative?*

Rental housing co-operatives (R.H.Cs) are self-directing, non-profit, legal entities whose tenant members collectively manage leased, public housing within a local community.

Community groups apply to lease houses through the Ministry of Housing. The Ministry will lease up to 70 houses throughout an area nominated by an approved group, provided that low-income earners who are eligible for public rental accommodation are housed.

An R.H.C. is a means of fully handing over management of public housing to tenants. Legally, tenants can gain collective control of their housing by registering as a co-operative under the Co-operation Act, or as a non-profit company under the Companies Act.

The Ministry gives R.H.Cs the power to select houses and tenants, collect rent, maintain properties, administer operations and expenditure, and to appoint staff.

Tenants pay rent directly to the co-op. R.H.Cs can usually cover operating costs from rent received when they control 35-50 houses. Rent is based on tenant income.

Healthy operations depend on the active participation of tenant members. In the early phases particularly, advice is needed in the "special skills" areas of law, accounting, building and community development.

Each co-op. has a paid housing worker selected by members. The worker's role generally includes encouraging tenant involvement; running the co-op. office and co-ordinating basic administration.

## *How they started*

In 1977 the Fitzroy-Collingwood Rental Housing Association was established as a three year pilot project, in response to a submission to the Ministry from the local community. An evaluation in 1980 demonstrated that tenant management provided satisfaction, efficiency and enthusiasm.

The Ministry has since set up more rental co-ops., mainly by advertising annually for submissions from tenant and community groups.

Since 1981, the Ministry has set up nine R.H.Cs in Mornington, Williamstown, Carlton, Brunswick/Coburg, Camberwell, Footscray, Frankston, Northcote and Moorabbin. These will eventually involve at least 50 houses in each area. The Fitzroy-Collingwood association already has more than 50 houses and two rooming houses.

The Ministry has initiated one R.H.C. as part of a rehabilitation program in Carlton. Ministry tenants were invited to join the R.H.C.

While the basic framework of rental co-ops. is similar, how they achieve their aims can vary considerably. A great strength of co-operative management is its flexibility in responding to local needs.

Capital funding for 50-70 houses is provided by the Ministry of Housing. The type of housing stock depends largely on the preference of an approved group. Groups can apply for funding for construction, purchase or use of existing public housing stock – or a mixture of these.

## *What are the advantages of a Rental Co-op?*

### *Security of Tenure*

R.H.C. members frame and supervise their own lease conditions. They take charge of their own security of tenure in much the same way as a homeowner. Rent charged in an R.H.C. house varies according to tenant income.

### *Control*

A rental co-op. is what its members choose to make it. They have the power to control its operations and success, rather than abiding by an exhaustive set of rules drafted by a public or private landlord.

### *Self-esteem*

Evaluation of the Fitzroy-Collingwood association showed that the nature of rental co-ops. boosts the self-esteem of members. Even where tenants are not greatly involved in management, they appreciate the trust placed in them and the right to have a say.

### *Efficiency*

High tenant satisfaction, motivation and increased self-sufficiency and self-esteem encourage tenants to care about their houses. Tenant control over maintenance ensures speed and flexibility in carrying out maintenance works.

### *Community*

R.H.Cs are based on the creation of links between people which lead to the building of a supportive community. This is particularly important to groups needing networks of support such as single parents, the disabled and special interest groups seeking to create a sense of community.